

The 2006 Session of the Mississippi Legislature:
A Record of Accomplishment

BALANCING THE BUDGET

- After inheriting a \$720 million budget hole, Governor Barbour has worked with the Legislature to balance Mississippi's budget while setting aside nearly \$270 million to pay the state's share of the Hurricane Katrina rebuilding costs and restoring the statutory practice of setting aside 2% of General Fund revenues into a "rainy day fund."
- Mississippi's budget was balanced by controlling spending and not raising anyone's taxes. Despite Katrina, actual FY 06 spending (the current fiscal year) is less than a 1% increase (\$47 million) over the budget for FY 05. Legislative reforms to programs such as Medicaid and Corrections have made it possible to fund important priorities such as education and law enforcement. In the legislative sessions since Barbour has been Governor, state funding for K-12 school districts through the Mississippi Adequate Education Program has increased \$323 million, or 19%. In addition to this funding increase, the Legislature and Governor have kept the promise of two consecutive 8% increases in teacher pay.
- The FY 07 budget meets the goals set by the Governor in the State of the State and in his budget proposal to the legislature. While the budget increases spending by a little more than the Governor recommended (about 1% more), the House and Senate leadership worked with the Governor to significantly increase funding for higher education (\$112 million over FY 06), provide a responsible pay raise for state employees, and increase funding for K-12 (\$122 million).
- For the first time in years, Mississippi has an honest budget with no pre-planned deficits and no raids on special fund agencies.
- In FY 05, for the first time since 1987, the State of Mississippi paid off more debt than was issued in the same time period. The bond package approved by the Legislature in the 2006 session will keep us on the path of keeping our state debt essentially level. From 1992 to 2004, it went up approximately 375%, or an average of 31% per year.
- Other budgets items of note:
 - o \$90.5 million increase for IHL in FY 07 budget.
 - o \$21.4 million increase for Community Colleges in FY 07 budget.
 - o \$113.4 million increase for MAEP (\$68 million for the ramp-up plan plus funding for health insurance and retirement rate increases) in FY 07 budget.
 - o The pay raise plan increases salaries for state employees under the Personnel Board by \$1500 or the realignment recommended by the

Personnel Board, whichever is higher, implemented in two stages (July 1 and January 1).

- o A training school for highway patrolmen is authorized for the second straight year. The school will be paid for with federal funds.

IMPROVING EDUCATION

- For FY 07, per student spending in our public schools will be approximately \$7500. Teachers will be making an average of 30% more than they were six years ago, after two consecutive 8% increases in teacher pay.
- The Legislature overwhelmingly approved the Governor's proposal to "UpGrade" Education. The product of a collaborative, participatory process which included more than 250 classroom teachers, UpGrade focuses on the fundamentals of improving student achievement.
- The Legislature approved the Governor's plan to encourage innovation at the local level by granting "Home Rule" to all districts and liberating successful schools from State Department of Education paperwork.
- The Legislature approved parts of the Governor's plan to recruit and retain teachers by allowing automatic certification of any teacher meeting federal No Child Left Behind "highly qualified teacher" definition; authorizing a plan to pay teachers based on performance; and authorizing higher pay for teachers in hard to staff subjects and districts.
- The Legislature approved part of the Governor's plan to UpGrade school discipline by authorizing financial rewards for teachers who serve as mentors to other middle school teachers.
- The Legislature approved the Governor's plan to redesign our high schools by creating the Mississippi Virtual Public school; expanding dual credit and dual enrollment programs; and requiring access to AP courses.
- The Legislature approved the plan to UpGrade how we use our resources by making the education budget process more uniform and transparent so taxpayers can see how our education dollars are spent and by authorizing the privatization of certain school budget functions.
- The Legislature set a focus on Mississippi's unacceptably high dropout rate by creating an Associate State Superintendent level position for dropout prevention.

REBUILDING SOUTH MISSISSIPPI

- In his State of the State, the Governor proposed the formation of a regional authority for improved management of the public utility needs in South Mississippi post-Katrina. The Legislature approved a regional board with county authorities which will save taxpayer dollars and improve important services such as water and wastewater systems.
- The Legislature wisely refrained from establishing duplicative layers of bureaucracy in administering the federal funds for Katrina rebuilding. The U.S. Department of Housing and Urban Development has approved the State of Mississippi's initial plan for using Community Development Block Grant funds to help homeowners on the Gulf Coast. Other CDBG funds will be used help low and moderate income renters; homeowners without insurance both inside and outside the flood plan; reduce the costs to consumers for rebuilding the public utility infrastructure; rebuild and extend north water and sewer systems; and to encourage economic development and job creation. The Departments of Public Safety and Human Services will soon be accepting applications for nearly \$200 million in federal funds for law enforcement and social services, the State Department of Education is distributing approximately \$300 million of federal funds to schools across the state, and the Department of Employment Security is administering what will ultimately be \$95 million in workforce training funds.
- Other pieces of legislation which were enacted are designed to reduce fraud in home repairs; authorize the use of the state's credit rating to lower the rebuilding costs which will be passed along to public utility ratepayers; and require the International Building Code in certain South Mississippi counties.

BUILDING STRONGER FAMILIES

- In his State of the State, the Governor called on the Legislature to enact reforms to our state's foster care system to improve the program which serves more than 3000 of Mississippi's most vulnerable children and families. The Legislature increased the pool of available caseworkers by creating an alternative certification process for social workers; reorganized DHS to put approximately 70 more direct-care into our foster system; and gave a pay raise to social workers and child protection specialists.
- Parents who want to adopt a child into a loving home sometimes face a costly, bureaucratic process that makes it harder financially for them to adopt. During his campaign in 2003, Governor Barbour proposed an income tax credit to help adoptive parents with the costs incurred when adopting a child and this year, the Legislature approved an income tax credit of \$2,500 for adoption expenses. Compared with the cost to the Department of Human Services of keeping a foster child in the state system, the state will save money with this tax credit. But more importantly, this tax credit will help create new homes for kids and build stronger families.

